

From: d.potratz@att.net [mailto:d.potratz@att.net]  
Sent: Monday, October 24, 2005 2:47 PM  
To: ATR-Real Estate Workshop  
Subject: competition in the real estate industry

TO: Department of Justice and the Federal Trade Commission

RE: Competitive nature of the real estate industry

To whom it may concern;

As a full time Realtor of over 20 years I am a example of some of the few who have survived the competitive nature our business along with the ups and down of the possible income in the industry.

In my market there are more agents that can possibly financially survive on the inventory for sale and being sold as it is now. Everywhere I look I am meeting new licensees coming from other industries that have suffered in our current economy thinking they can come in and "make the big bucks" quickly and easily. Many leave the industry after a short time of having no steady income, or no income at all. As more new agents come into the industry and the 'pie' is cut up in to smaller pieces each day, our competition grows on its own.

In my county there is so much competition, to obtain business you are competing with many qualified real estate agents to obtain a "job".

We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Barriers to entry are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success.

Thousands of new agents that join our profession every year and the over 2 million Americans who are now licensed to provide real estate services.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS®, but also from a variety of business models.

The MLS is a cooperative, broker-to-broker offer of cooperation and compensation that help both brokers and customers buy and sell homes. It is not a public utility, nor should it be.

The beauty of the MLS is that it allows real estate brokerages of every size to compete on a level playing field. It gives all of us access to an inventory of property listings that we are able to show and sell to our clients.

The MLS doesn't discriminate. All MLS members are treated equally, regardless of their size or their business model, and yet the rights of property owners and their listing brokers are respected. The rules of the MLS achieve a delicate balance between respecting the rights of listing brokers so they will continue to be willing to contribute their inventory of listings and permitting cooperating brokers the ability to show those listings and be assured of receiving compensation if they bring about a successful sale.

From my perspective, the new policy is a win for consumers and REALTORS®.

It works for consumers because it gives home sellers a choice whether to permit marketing of their property on the Internet and in selecting an MLS member with whom they want to work. It allows them to "opt-in" and have their property displayed on other brokers' Web sites even if they are working with a broker who does not participate in sharing his listings for display by his competitors. And it works for REALTORS® because it gives us the right to control where our listings are displayed on the Internet.

Sincerely,

Diana Potratz

REALTOR®